

***Effective 7/1/2015***

**63H-7a-704 Reserve funds for debt service.**

- (1) To assure the continued operation and solvency of the authority for the carrying out of its purpose, the authority may establish reserve funds necessary to secure the payment of debt service on its bonds.
- (2) The resolution authorizing the issuance of the bonds shall specify the minimum amount that is required to be on deposit in the reserve funds.
- (3) The chair shall annually, on or before December 1, certify to the governor, the director of finance, and to each member the amount, if any, required to restore the funds to their required funding levels.
- (4)
  - (a) The governor may request from the Legislature an appropriation of the amount certified in Subsection (3) to restore the reserve funds to their required funding levels or to meet any projected principal or interest payment deficiency. Any amount appropriated shall be repaid to the General Fund of the state in excess of the amounts which the board determines will keep it self-supporting.
  - (b) The board shall adjust the fees of the members so that the state is repaid for the amount appropriated in Subsection (4)(a) within 18 months after the state has paid the deficit.
- (5) The members are jointly responsible for 1/2 the amount certified in Subsection (3) to restore the reserve funds to their required funding levels. The board may request from each member money proportionate to their participation in the network to restore the funding level. Any amount paid by the members shall be proportionally repaid to them from 1/2 of any money in excess of the amounts which the board determines will keep it self-supporting.

Renumbered and Amended by Chapter 411, 2015 General Session